

AO 120 (Rev. 08/10)

TO: Mail Stop 8 Director of the U.S. Patent and Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK
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In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been
 filed in the U.S. District Court E.D. Tex. on the following

☐ Trademarks or ☒ Patents. (☒ the patent action involves 35 U.S.C. § 292.);

DOCKET NO. 2:11-CV-00170	DATE FILED 3/14/2011	U.S. DISTRICT COURT E.D. Tex.
PLAINTIFF Patent Research Institute, L.L.C.		DEFENDANT Solgar, Inc.
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 4,167,564	9/11/1979	Albion Laboratories Inc.-Assignee
2 4,599,152	7/8/1986	Albion Laboratories Inc.-Assignee
3 4,822,816	4/18/1989	Oxycal Laboratories Inc.-Assignee
4		
5		

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading	
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1		
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In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK	(BY) DEPUTY CLERK	DATE
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Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
 Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

PATENT RESEARCH INSTITUTE, L.L.C. §

Plaintiff, §

v. §

SOLGAR, INC., §

Defendant. §

Civil Action No. 2:11-cv-00170

JURY TRIAL DEMANDED

COMPLAINT

I. NATURE OF THE CASE

1. This is an action for false patent marking under Section 292 of the Patent Act (35 U.S.C. § 292) which provides that any person may sue to recover the civil penalty for false patent marking. Plaintiff Patent Research Institute, L.L.C. brings this *qui tam* action on behalf of the United States of America against Defendant, Solgar, Inc.

II. PARTIES

2. Plaintiff Patent Research Institute, L.L.C. is a Texas limited liability company with its principal place of business in Houston, Texas.

3. Defendant Solgar, Inc. ("Solgar") is a Delaware corporation having its principal place of business at 500 Willow Tree Road, Leonia, New Jersey, 07605.

III. JURISDICTION AND VENUE

4. The Court has jurisdiction of this action under 28 U.S.C. §§ 1331 and 1338(a).

5. The Court has personal jurisdiction over Solgar. Solgar has continuously conducted business within the State of Texas. Solgar has continuously offered for sale and sold,

marked, and advertised the products that are the subject of this Complaint in the United States, the State of Texas, and the Eastern District of Texas.

6. Venue is proper in this district under 28 U.S.C. §§ 1391(b), 1391(c), and 1395(a).

IV. FACTS

7. Solgar has marked and continues to mark its dietary supplement products (the “Falsely Marked Products”) with expired patents, U.S. Patent Nos. 4,167,564; 4,599,152; and 4,822,816 (the “Falsely Marked Patents”). Such false marking by Solgar includes: (a) marking the Falsely Marked Patents upon the Falsely Marked Products, (b) affixing the Falsely Marked Patents to the Falsely Marked Products and (c) using the Falsely Marked Patents in advertising in connection with the Falsely Marked Products.

8. When a patent expires, all prospective rights in the patent terminate irrevocably. Therefore, a product marked with an expired patent is not currently protected by such expired patent. U.S. Patent No. 4,167,564 entitled “Biological Assimilation of Metals” was filed on September 23, 1974 and issued on July 11, 1979. Therefore, U.S. Patent No. 4,167,564 expired no later than July 11, 1997. U.S. Patent No. 4,599,152 entitled “Pure Amino Acid Chelates” was filed on May 24, 1985 and issued on July 8, 1986. Therefore, U.S. Patent No. 4,599,152 expired no later than May 24, 2005. U.S. Patent No. 4,822,816 entitled “Compositions and Methods for Administering Vitamin C” was filed on April 10, 1987 and issued on April 18, 1989. Therefore, U.S. Patent No. 4,822,816 expired no later than April 18, 2007. These patents are attached hereto as Exhibits 1-3.

9. It was a false statement for Solgar to mark the Falsely Marked Products with expired patents.

10. Solgar is a large, sophisticated company. Solgar has, and/or regularly retains, sophisticated legal counsel.
11. Solgar has many years of experience with patents and the licensing of patents.
12. Solgar knew that the Falsely Marked Products were not covered by the Falsely Marked Patents. Solgar personnel know that patents expire and that patent rights do not apply after patents expire. Solgar as the owner or licensee of intellectual property knows the legal status of its intellectual property. In particular, Solgar knew that the Falsely Marked Patents marked on its products have expired and it knew that the Falsely Marked Patents did not cover the products to which the markings were affixed. Solgar has no legitimate business reason that would explain its decision not to remove the expired patents from its products. Solgar likewise has no legitimate business reason that would explain its decision not to remove the Falsely Marked Patents from its marking labels.
13. Solgar knew that it was a false statement to mark the Falsely Marked Products with expired patents. Upon information and belief, Solgar intentionally marked its products with the Falsely Marked Patents for the purpose of deceiving the public into believing that something contained in or embodied in the Falsely Marked Products is covered by or protected by the Falsely Marked Patents. Moreover, Solgar has been previously sued for false marking its products with other expired patents; yet has taken no action to cease its false marking practices with respect to the Falsely Marked Products.
14. Solgar knew that its use of the Falsely Marked Patents gave it a competitive advantage and would increase its revenue.

V. INJURY IN FACT TO THE UNITED STATES

15. Solgar's false marking has caused injuries and continues to cause injuries to the sovereignty of the United States arising from Solgar's violations of federal law, specifically, Solgar's violations of 35 U.S.C. § 292(a).

16. Solgar's false marking has caused proprietary injuries to the United States and continues to do so.

17. The marking and false marking statutes exist to give the public notice of patent rights. Congress intended the public to rely on marking as a ready means of discerning the status of intellectual property embodied in an article of manufacture or design, such as the Falsely Marked Products.

18. Federal patent policy recognizes an important public interest in permitting full and free competition in the use of ideas which are a part of the public domain such as those described in the Falsely Marked Patents.

19. Congressional interest in preventing false marking was so great that Congress enacted 35 U.S.C. §292(a) which seeks to encourage private parties to enforce the false marking statute. By permitting members of the public to bring *qui tam* suits on behalf of the Government, Congress authorized private persons such as Plaintiff to help control false marking.

20. Solgar's acts of false marking deter innovation and stifle competition in the marketplace for the following reasons: (a) if an article that is within the public domain is falsely marked, potential competitors may be dissuaded from entering the same market; (b) false marking may also deter scientific research when an inventor sees a mark and decides

to forego continued research to avoid possible infringement; and (c) false marking may cause unnecessary investment in design to avoid presumed patent infringement or costs incurred to analyze the validity or enforceability of a patent whose number has been falsely marked upon a product with which a competitor would like to compete.

21. Solgar's acts of false marking mislead the public into believing that the Falsely Marked Patents gives Solgar control of the Falsely Marked Products, and places the risk of determining whether the Falsely Marked Products are controlled by such patents on the public rather than on Solgar, thereby increasing the cost to the public of ascertaining whether Solgar in fact controls the intellectual property embodied in the Falsely Marked Products.

22. In each instance where Solgar has represented that the Falsely Marked Products are protected by the Falsely Marked Patents, a member of the public desiring to participate in the market for products similar to the Falsely Marked Products must incur the cost of determining whether the involved Falsely Marked Patents are valid and enforceable.

23. Solgar's acts of false marking also create a misleading impression that the Falsely Marked Products are technologically superior to other available products since articles bearing the term "patent" may be presumed to be novel, useful, and innovative.

24. Every person or company in the United States is a potential entrepreneur with respect to the process, manufacture, or composition of matter described in the Falsely Marked Patents. Moreover, every person or company in the United States is a potential competitor of Solgar's with respect to the Falsely Marked Products marked with the Falsely Marked Patents.

25. Each Falsely Marked Product and advertisement thereof is likely to discourage or deter members of the public from commercializing a competing product even though the Falsely Marked Patents have no legal authority to prevent any person or company in the United States from competing with Solgar in commercializing such products.

26. Solgar's marking of the Falsely Marked Products and its advertising thereof may stifle competition with respect to similar products to an immeasurable extent, thereby causing harm to the United States in an amount that cannot be readily determined.

27. Solgar has wrongfully and illegally advertised a patent monopoly that it does not possess and, as a result, has benefited by increasing or maintaining its market power or commercial success with respect to the Falsely Marked Products.

28. Each individual false marking (including each time an advertisement with such marking is accessed on the internet), is likely to harm the public. Thus, each such false marking is a separate offense under 35 U.S.C. § 292(a).

29. Each offense of false marking creates a proprietary interest of the United States in the penalty that may be recovered under 35 U.S.C. § 292(b).

VI. CLAIM

30. For the reasons stated in paragraphs 7 through 29 above, Solgar has violated 35 U.S.C. § 292 by falsely marking the Falsely Marked Products with intent to deceive the public.

VII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the following:

A. An accounting of the number, sales, and revenue of any Falsely Marked Products;

- B. A judgment in favor of Plaintiff finding that Solgar has falsely marked products with the Falsely Marked Patents, *i.e.*, U. S. Patents Nos. 4,167,564; 4,599,152; and 4,822,816 in violation of 35 U.S.C. § 292 and imposing a civil fine of \$500 per each Falsely Marked Product and false marking offense or an alternative amount, as set by the Court, one-half of any such award to be paid to the United States;
- C. An award of pre-judgment and post-judgment interest on any monetary award;
- D. An injunction prohibiting Solgar and its officers, directors, agents, servants, employees, attorneys, licensees, successors, and assigns, and those in active concert or participation with any of them from marking or advertising any product with U.S. Patent Nos. 4,167,564; 4,599,152; 4,822,816 or any of them.
- E. An award of attorneys fees and costs, and other expenses and an enhancement of damages and penalties; and
- F. Such other and further relief to which Plaintiff is entitled.

JURY DEMAND

Plaintiff demands a jury trial on all issues so triable.

Respectfully submitted

/s/ Stuart M. Nelkin
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